



IGC Reports Financial Results for September 30, 2020 Quarter and Start of Phase 1 Cannabinoid Clinical Trial for Alzheimer's Patients

POTOMAC, MD, November 20, 2020 / India Globalization Capital, Inc. ("IGC" or the "Company") (NYSE American: IGC) today announced its financial results for the quarter ended September 30, 2020, which is the second quarter of its 2021 fiscal year, and the start of Phase 1 cannabinoid-based clinical trial for Alzheimer's Patients.

Revenue in the quarter ended September 30, 2020 and September 30, 2019, were \$125 thousand and \$1,821 thousand, respectively. The decrease in revenue is primarily due to restrictions imposed by the COVID-19 pandemic. The revenue in the quarter ended September 30, 2020 was approximately 53% from the infrastructure segment and approximately 47% from the Life Science segment. In comparison, the revenue in the September 2019 quarter was primarily from infrastructure. In the past 6 months, our ability to provide services and distribute our products has been impacted due to store closures and abandoned harvests of hemp. Our facility on the West Coast, and our Delhi office, both have had COVID-19 outbreaks that have led to closures, delays, and expenses. In response to the evolving dynamics of the pandemic, we have decreased our staff in select areas, delayed and may terminate the acquisition of Evolve I, Inc., and reoriented our sales focus to online.

In the quarter ended September 30, 2020, our primary focus has been to initiate and carry out the Phase 1 clinical trial on our Investigational Drug Candidate IGC-AD1.

Selling, general and administrative expenses increased by approximately \$389 thousand or 36% to \$1,483 thousand for three months ended September 30, 2020, from \$1,094 thousand for three months ended September 30, 2019. The increase of approximately \$0.4 million is attributed to a one-time settlement expense of approximately \$50 thousand, compensation expenses attributed to increased head count and associated employee-related expenses, marketing expense related to expansion of brands, and depreciation expense related to increase in Property, Plant and Equipment. We expect general and administrative expenses to decrease as one-time legal and other one-time expenses continue to abate over the rest of this fiscal year.

Net comprehensive loss was approximately \$1.5 million or \$0.04 per share, for the September 2020 quarter, compared to approximately \$1.3 million or \$0.03 per share for the September 2019 quarter. Most of the increased loss is attributable to the increased SG&A.

About IGC:

IGC operates two lines of business: (i) infrastructure and (ii) life sciences. The Company is based in Potomac, Maryland, U.S.A. Social media: www.igcinc.us / www.igcpharma.com / Twitter @IGCIR.

Forward-Looking Statements:

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based largely on IGC's expectations and are subject to several risks and uncertainties, certain of which are beyond IGC's control. For the next several years, our success is highly correlated primarily with the successful outcome of our clinical trials and the recovery of the world and local economies following the COVID-19 pandemic, and, secondarily, on the sale of our products and services candidates. IGC may not be able to complete human trials on our investigational drug candidates, or, once conducted, the results of human trials testing results may not be favorable or as anticipated. Our projections and investments anticipate stable pricing, which may not hold out over the next several years, and certain regulatory changes, specifically in states where medical cannabis has been, is, or will be legalized and the diseases which we anticipate our products will target are approved conditions for

treatment or usage with cannabis/ cannabinoids. We may not be able to protect our intellectual property adequately or receive patents. We may not receive regulatory approval for our products, or trials. An additional risk factor worth highlighting specifically related to the patent licensing is that the patent applications we have licensed may not be granted by the United States Patent and Trademark Office (“USPTO”), even if the Company is in full compliance with USPTO requirements. We may not have adequate resources including financial resources, to successfully conduct all requisite clinical trials, to bring a product to market, or to pay applicable maintenance fees over time. We may not be able to successfully commercialize our products even if they are successful and receive regulatory approval. Failure or delay with respect to any of the factors above could have a material adverse effect on our business, future results of operations, our stock price, and our financial condition. Actual results could differ materially from these forward-looking statements as a result of, among other factors, competitive conditions in the industries in which IGC operates; failure to commercialize one or more of the technologies of IGC; general economic conditions that are less favorable than expected; the FDA’s general position regarding hemp-based products; the ongoing COVID-19 pandemic and its effect on global and regional economies in which IGC participates; and other factors, many of which are discussed in IGC’s SEC filings. IGC incorporates by reference the Risk Factors identified in its Annual Report on Form 10-K filed with the SEC on July 13, 2020; Quarterly Reports on Form 10-Q filed with the SEC on August 19, 2020 and November 20, 2020, as if fully incorporated and restated herein. In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained in this release will in fact occur.

Contact:

Claudia Grimaldi

info@igcinc.us

Phone: 301-983-0998

< **Financial Tables to Follow** >

India Globalization Capital, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(Unaudited)

	September 30, 2020 (Unaudited) (\$)	March 31, 2020 (Audited) (\$)
ASSETS		
Current assets:		
Cash and cash equivalents	1,151	7,258
Marketable securities	3,850	5,081
Accounts receivable, net	241	133
Inventory	6,684	4,245
Deposits and advances	1,761	1,040
Total current assets	13,687	17,757
Intangible assets, net	344	252
Property, plant and equipment, net	10,906	9,780
Non-Marketable securities	261	11
Claims and advances	616	610
Operating lease asset	532	574
Total long-term assets	12,659	11,227
Total assets	26,346	28,984
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable	975	762
Accrued liabilities and others	727	1,134
Short-term loans	196	50
Total current liabilities	1,898	1,946
Long-term loans	384	-
Other liabilities	16	16
Operating lease liability	450	485
Total non-current liabilities	850	501
Total liabilities	2,748	2,447
Commitments and Contingencies – See Note 12		
Stockholders' equity:		
Preferred stock, \$0.0001 per value: authorized 1,000,000 shares, no shares issued or outstanding as of September 30, 2020 or March 31, 2020.	-	-
Common stock and additional paid-in capital, \$0.0001 par value: 150,000,000 shares authorized; 41,304,365 and 39,320,116 shares issued and outstanding as of September 30, 2020 and March 31, 2020, respectively.	95,270	94,754
Accumulated other comprehensive loss	(2,766)	(2,850)
Accumulated deficit	(68,906)	(65,367)
Total stockholders' equity	23,598	26,537
Total liabilities and stockholders' equity	26,346	28,984

See accompanying Notes to the Condensed Consolidated Financial Statements in the Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, as filed with the SEC on November 20, 2020.

India Globalization Capital, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except loss per share)
(Unaudited)

	Three months ended September 30,		Six months ended September 30,	
	2020 (\$)	2019 (\$)	2020 (\$)	2019 (\$)
Revenue	125	1,821	709	3,470
Cost of revenue	(99)	(1,793)	(637)	(3,401)
Gross Profit	26	28	72	69
General and administrative expenses	(1,483)	(1,094)	(3,238)	(2,343)
Research and development expenses	(219)	(222)	(441)	(469)
Operating loss	(1,676)	(1,288)	(3,607)	(2,743)
Other income, net	19	109	68	185
Loss before income taxes	(1,657)	(1,179)	(3,539)	(2,558)
Income tax expense/benefit	-	-	-	-
Net loss attributable to common stockholders	(1,657)	(1,179)	(3,539)	(2,558)
Foreign currency translation adjustments	142	(143)	84	(124)
Comprehensive loss	(1,515)	(1,322)	(3,455)	(2,682)
Loss per share attributable to common stockholders:				
Basic & Diluted	\$ (0.04)	(0.03)	(0.09)	(0.06)
Weighted-average number of shares used in computing loss per share amounts:	41,244	39,551	40,720	39,529

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